



KARL HERRMANN
INSURANCE COMMISSIONER
AND STATE FIRE MARSHAL
INSURANCE BUILDING
OLYMPIA, WASHINGTON 98504

B U L L E T I N

August 4, 1976

NO. 76 - 3

Subject: DISCRIMINATORY PRACTICES WITH RESPECT TO INSURED'S USING
PUBLIC ADJUSTERS

Examples of unfair and inequitable treatment of insureds by insurance companies and their adjusters have recently come to our attention. In each case, the insured had retained a public adjuster to represent him with respect to his loss, and the insurance company adjuster made it very clear that the insured would receive less favored treatment because of the representation by a public adjuster. In one case, the company representative threatened to withdraw an offer to pay an "advance" if the insured employed a public adjuster.

Such conduct is discriminatory and violates RCW 48.18.480. Insureds are entitled to fair and equal treatment whether or not they are represented by public adjusters.

Adjusters as representatives of insureds have been recognized statutorily for many years. Since 1947, they have been separately licensed as Public Adjusters in the state of Washington. Public adjusters serve a useful purpose. Insureds who elect to use their services should in no way be penalized by the insurer for doing so. It would seem that a company adjuster should welcome the intervention of a public adjuster in a case because it enables an adjustment of the claim to be handled on a professional basis between two knowledgeable and competent individuals. Certainly the public has as much right to use Public Adjusters as insurers have to use Independent Adjusters.

Companies should bring this Bulletin to the attention of their claims personnel so that the discriminatory practice herein discussed will not reoccur.

KARL HERRMANN
Insurance Commissioner

B U L L E T I N

NO. 76-2

To: Surplus Line Brokers and Applicants for License

Subject: Maintenance of an Office in the State of Washington

RCW 48.15.070 requires that a Surplus Line Broker maintain an office at a designated location in this state. Questions have arisen as to what constitutes "maintaining an office" under the statute.

It is the position of the commissioner that "maintaining an office," for purposes of licensing as a Surplus Line Broker, requires meeting at least the following minimum standards:

1. The office must be physically located within this state and be reasonably accessible to the public.
 2. Such office must be open to the public during business hours normal to other businesses and professions in the locality.
 3. All records of the surplus line broker which are required to be kept pursuant to RCW 48.15.100 shall be readily available in such office.
 4. The broker or a competent employee responsible to him shall be available within such office on a substantially full-time basis during usual business hours to deal personally with the public and conduct the business of the surplus line broker. (A telephone answering service or letter-forwarding operation is not sufficient.)
 5. Such office shall be the principal place of operation of the broker for his or her surplus line business in the State of Washington.
- The preceding standards will be applied in determining if a surplus line broker's license should be issued or continued.

KARL HERRMANN
Insurance Commissioner